F.N.B. Corporation & First National Bank of Pennsylvania
Capital Stress Test Results Disclosure

Capital Stress Testing Results Covering the Time Period October 1, 2014 through December 31, 2016 for F.N.B. Corporation and First National Bank of Pennsylvania under a Hypothetical Severely Adverse Economic Scenario.

Released June 17, 2015

When we refer to "FNB," "we," "our," and "us" in this report, we mean F.N.B. Corporation (including First National Bank of Pennsylvania). When we refer to "FNBPA" or "Bank" in this report, we mean our only bank subsidiary, First National Bank of Pennsylvania, and its subsidiaries.

About F.N.B. Corporation

F.N.B. Corporation (the Corporation), headquartered in Pittsburgh, Pennsylvania, is a diversified financial services company operating in six states and three major metropolitan areas, including Pittsburgh, Baltimore, Maryland and Cleveland, Ohio. As of March 31, 2015, the Corporation had 287 banking offices throughout Pennsylvania, Ohio, Maryland and West Virginia. The Corporation provides a full range of commercial banking, consumer banking and wealth management solutions through its subsidiary network which is led by its largest affiliate, First National Bank of Pennsylvania. Commercial banking solutions include corporate banking, small business banking, investment real estate financing, international banking, business credit, capital markets and lease financing. Consumer banking provides a full line of consumer banking products and services including deposit products, mortgage lending, consumer lending and a complete suite of mobile and online banking services. Wealth management services include asset management, private banking and insurance. The Corporation also operates Regency Finance Company, which had 73 consumer finance offices in Pennsylvania, Ohio, Kentucky and Tennessee as of March 31, 2015. As of March 31, 2015, FNB had total assets of $16.3 billion and FNBPA had total assets of $16.1 billion. As such, FNBPA accounts for approximately 99% of FNB's assets and the majority of the variance in the stress tests. Therefore, separate explanations will not be provided.

Background

Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA") requires national banks and federal savings associations with total consolidated assets of $10 billion - $50 billion to conduct annual stress tests ("DFAST"). This disclosure specifically addresses provisions of DFA requiring that company-run stress test results be made publicly available.

The results of the company-run stress tests provide the Federal Reserve Bank ("Fed") and the Office of the Comptroller of the Currency ("OCC") with forward-looking information that will be used in bank supervision and will assist the agencies in assessing the companies' risk profile and capital adequacy. The objective of the annual company-run stress test is to ensure that banking institutions have robust, forward-looking stress testing processes that account for their unique risks, and to help ensure that institutions have sufficient capital to continue operations throughout times of economic and financial stress. The Fed and OCC intend to use the data to assess the reasonableness of the stress test results and determine whether additional analytical techniques are needed to identify, measure and monitor risk. These stress test results are also expected to support ongoing improvement in a covered institution's stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

Considerations

DFA sets forth specific parameters and assumptions for all institutions to use regarding capital distributions. For this and other reasons noted below, results contained herein may differ materially from other publications made by us or by regulatory agencies. To better understand the context of these results, the following should be considered:

1. Results are based on a hypothetical Severely Adverse economic projection that was provided by the Federal Reserve with the specific intention of assessing the strength and resilience of capital in stressed economic and financial market environments. Our baseline (expected) economic projection yields significantly different results.
2. DFA requires we take into account our actual capital actions as of the quarter-end for the first quarter in the planning horizon (i.e., fourth quarter 2014), and that (1) for remaining quarters, common stock cash dividends are held constant based on the quarterly average dollar amount of quarterly dividends paid in 2014; (2) payments on any other instrument that is eligible for inclusion in the numerator of a regulatory capital ratio equals the stated dividend, interest, or principal due on such instrument during the quarter; and (3) an assumption of no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio. In the event that a severely adverse economic environment comes to fruition, our capital actions could be different than those assumed for this analysis.
3. Loan portfolios follow regulatory-defined classifications and in some cases are different than how we internally manage and report via SEC filings and other public disclosures.

Risks included in the Stress Test

FNB has established a robust risk management framework that supports ongoing enterprise-wide risk management, as well as the risk surrounding stress testing. The objective of risk management is not to eliminate risk, but to identify and accept risk, and then manage risk effectively so as to preserve capital and optimize shareholder value.

Through an analysis of FNB's business units and business activities, FNB's enterprise-wide risk management process ("ERM") works to identify risks inherent in our businesses. The risks identified are catalogued in a series of business risk assessments, which are stored in a database managed by ERM. FNB used this information to decide which risks constitute material risks; and therefore, integral to stress tests.

Through this process, the Corporation has identified five major categories of risk: credit risk, market risk, liquidity risk, operational risk, and compliance risk.

1. Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments. As in many financial institutions, credit risk is a broad category and was further analyzed to determine the portfolios that would be reviewed for materiality, identify potential risk drivers, and ultimately modeled for credit losses.
2. Market risk refers to potential losses arising from changes in interest rates, foreign exchange rates, equity prices, and commodity prices. The Corporation is primarily exposed to interest rate risk inherent in its lending and deposit-taking activities as a financial intermediary. Market risk is considered in the stress test through an analysis of the macro-economic factors (mainly interest rates) and the impact the changes in those factors would have on FNB's balance sheet and income statement.
3. Liquidity risk refers to the ability of FNB to meet its financial obligations to its customers, debt-holders, and other stakeholders.

4. Operational risk refers to the potential losses due to the failure of people, processes, or technology. FNB has included an assessment of its operational risk exposure and potential related losses in its stress testing submission. Our operational risk assessment includes compliance risk, given related historical losses are included in the historical operational risk loss estimates.
5. Compliance risk refers to the risk to earnings and capital arising from violations or non-conformance with laws, rules or regulations, and ethical standards. This includes legal risk arising from the potential unenforceable contracts, lawsuits, and adverse judgments or disruptions negatively affecting the earnings or capital of a company. The effects of adverse impacts resulting from compliance risk are captured within the operational risk component of the stress tests.

Summary of Stress Test Methodologies

To support the assessments and create the DFAST projections, FNB utilized multiple forms of quantitative and qualitative analysis. As described above, the Federal Reserve provided the Severely Adverse scenario narrative as the basis for this stress test. In addition, the Fed provided 16 domestic variables, including macro-economic indicators and interest rates, for the 9-quarter stress test horizon. Consistent with the Fed scenario, FNB estimated additional interest rates, including LIBOR and FHLB rates, as they are key driver rates for FNB's financial instruments. In addition, FNB utilized additional macro-economic variables for Pennsylvania, provided by a leading analytics firm, in order to improve the predictive capability of the variables relative to FNB's financial performance. These variables served as key inputs to FNB's financial projections of specific balance sheet, income statement, and loan loss categories. The financial projections employed multiple modeling techniques, including regression analysis, autoregressive integrated moving average (ARIMA) models, driver-based equations, historical trend analysis and simulation. Overall, the methodologies employed were used to produce projections for revenues, expenses, provision for loan losses and, ultimately, changes in capital.

These projections were supplemented, as needed, with management judgment to ensure appropriate consideration of FNB-specific factors and to mitigate limitations in estimations. To promote robust scenario and projection development, FNB established a thorough and heavily governed process, including a robust challenge process. Challenges are designed to foster candid, informed, and effective discussion regarding projection methodologies and results. They occur throughout the projection development process and at multiple organizational levels, including the Board of Directors. The challenge process may result in adjustments to modeled output. As a result, certain adjustments have been made to model results for certain projection categories, such as additional credit losses and expenses.

Description of the Severely Adverse Economic Scenario

Results contained in this report are based on the hypothetical Severely Adverse economic scenario that was constructed by the Federal Reserve. The Severely Adverse scenario features a substantial weakening in global economic activity, accompanied by large reductions in asset prices. In this scenario, the U.S. corporate sector experiences increases in financial distress that are even larger than would be expected in a severe recession, together with a widening in corporate bond spreads and a decline in equity prices. The Severely Adverse scenario is characterized by a deep and prolonged recession in which the unemployment rate increases by 4 percentage points from its level in the third quarter of 2014, peaking at 10.1% in the middle of 2016. In terms of both the peak level reached by the unemployment rate and its total increase, this shock is of a similar magnitude to those experienced in severe U.S. contractions during the past half-century. Among others, key economic drivers include: real GDP growth, which declines from 3.1% on September 30, 2014 to a low of -6.1%; housing price index, which declines from 172.1 on September 30, 2014 to a low of 128.4; and the Dow-Jones stock market index, which declines from 20,459 on September 30, 2014 to a low of 8,606.

These and other economic variables were transformed into the usable inputs for our revenue, expense, and loss models, and estimates that underlie our capital projections. A full list of economic variables and their values, along with a more detailed description of the Severely Adverse economic scenario, can be found on the Federal Reserve's website.

Results for the Severely Adverse Scenario for the Time Period 10/1/2014 – 12/31/2016

Consistent with DFAST disclosure instructions, results in this section are based on the Severely Adverse economic scenario as provided to us by the Federal Reserve. As noted in the "Considerations" section of this disclosure, we assume that common stock cash dividends are held constant with levels paid in 2014, and further assume there is no redemption or repurchase of any capital instrument that is eligible for inclusion in the numerator of a regulatory capital ratio. Unless otherwise specified, results are cumulative for the nine-quarter planning horizon beginning October 1, 2014 and ending December 31, 2016. At the time results were finalized and submitted to the OCC and Federal Reserve, the first quarter of the planning horizon was still a projection; the following tables and information have not been adjusted for actual results realized in the 2014 fourth quarter or 2015 first quarter.

Capital Ratios

Consistent with assumed capital actions described earlier in this disclosure, Table 1 depicts beginning (9/30/2014), ending (12/31/2016), and minimum capital ratios observed through the nine-quarter horizon of the Severely Adverse economic scenario. Key drivers of changes to capital levels are discussed below.

Table 1. Capital Ratios: Beginning, Ending, and Minimum Values

(%)	Actual 9/30/2014	Stress Projection 12/31/2016 (1)	Regulatory Minimum	Well Capitalized Requirements
FNB				
Common Equity Tier 1 (2)	9.60	8.37	4.50	6.50
Tier 1 Capital	11.06	9.34	6.00	8.00
Total Risk-Based Capital	12.33	11.27	8.00	10.00
Tier 1 Leverage	8.69	7.08	4.00	5.00
FNBPA				
Common Equity Tier 1 (2)	9.93	8.76	4.50	6.50
Tier 1 Capital	10.65	9.49	6.00	8.00
Total Risk-Based Capital	11.69	10.75	8.00	10.00
Tier 1 Leverage	8.36	7.19	4.00	5.00

(1) These ratios are the ending and minimum values.

(2) Common equity tier 1 (CET1) for 9/30/2014 was estimated using Basel I criteria. F.N.B. was not subject to the Basel III CET1 until after 1/1/2015.

Revenue, Loss, and Net Income

Table 2 depicts cumulative results for the time period 10/1/2014 – 12/31/2016 for the Severely Adverse economic scenario.

Table 2. Net Income After Taxes

($ thousands)	FNB	FNBPA
Pre-Provision Net Revenue (PPNR)[1]	386,724	368,637
Provision for Loan Losses	359,298	332,074
Net Income	30,100	35,395

(1) PPNR Includes realized gains (losses) on held to maturity investment securities.

Loan and Lease Losses

Table 3 depicts cumulative nine-quarter losses for loan and lease categories for the Severely Adverse economic scenario.

Table 3. Cumulative Credit Losses for Loan and Lease Portfolios

	FNB		FNBPA	
($ thousands)	$	%[1]	$	%[1]
Commercial and Industrial	65,557	3.08	65,557	3.01
Commercial Real Estate	74,645	2.40	74,645	2.40
Closed-end First Lien Mortgage	19,719	0.88	19,294	0.88
Junior Lien Mortgage and Home Equity Line of Credit	21,934	1.47	21,615	1.46
Other Consumer [2]	36,522	3.58	36,445	4.08
Other Loans and Leases [3]	31,034	6.94	8,310	1.86
Total Loan and Lease Losses	249,411	2.39	225,867	2.19

(1) Denominator of loss rate is the average of the nine quarters' balances
(2) Other Consumer includes auto loans, student loans, and other miscellaneous consumer-purpose loans
(3) Other Loans and Leases primarily consist of Equipment Lease, Overdraft losses and Credit Cards

Additional Capital Ratio Components

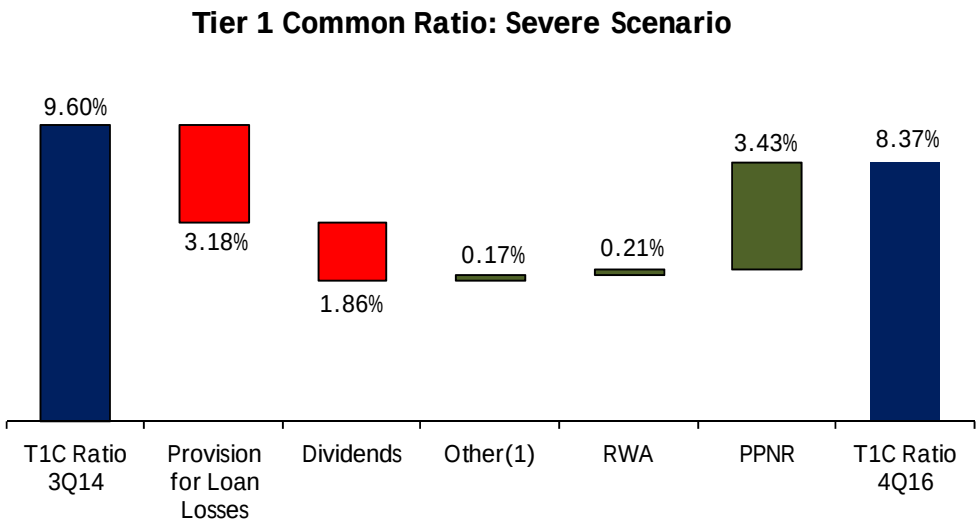
Table 4 discloses the change in risk-weighted assets from the beginning (9/30/2014) to the ending (12/31/2016) of the nine-quarter stress test horizon of the Severely Adverse economic scenario.

Table 4. Risk-Weighted Assets, Beginning (9/30/2014) and Ending (12/31/2016) Values

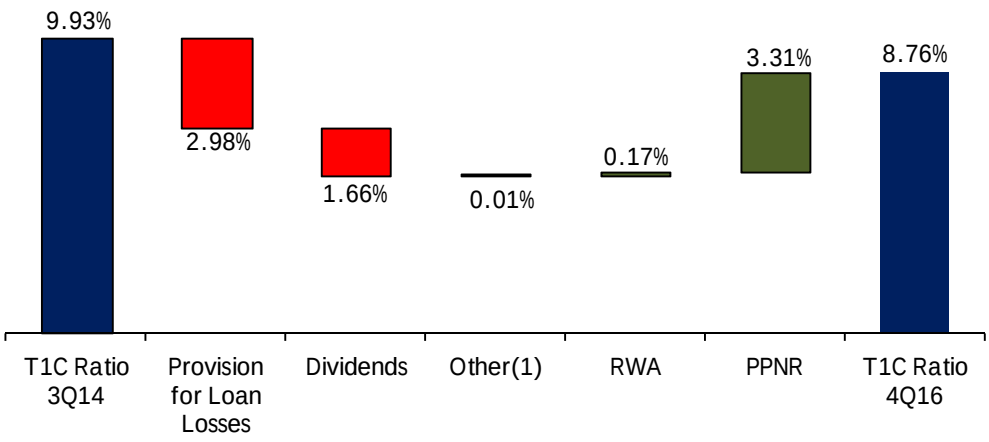
($ thousands)	Actual 9/30/14	Ending 12/31/16
FNB	11,290,817	11,047,135
FNBPA	11,133,029	10,958,818

Table 5. Drivers of Change in Capital Ratios, 9/30/2014 to 12/31/16

FNB



FNBPA



(1) Other includes change in taxes, and stock compensation.

Explanation of the Most Significant Causes for the Changes in Regulatory Capital Ratios

The Fed's Severely Adverse scenario as applied to FNB and FNBPA results in meaningful declines in the regulatory capital ratios. However, the minimum capital levels across the nine-quarter planning horizon for all scenarios analyzed in connection with DFAST stress testing requirements remain above regulatory-defined, well-capitalized thresholds, as well as above FNB's more stringent internal guideline capital threshold which is equal to the regulatory minimum plus the full 250 basis point capital conservation buffer (which is gradually being phased-in by 2019).

Table 5 above reconciles the primary drivers of the change in the Tier 1 Common Equity Ratio from

9/30/2014 to 12/31/16. These declines are primarily driven by loan loss provisions that exceed PPNR over the nine-quarter stress test horizon. In addition, the requirement that dividend levels be held at $0.48 per share reduces capital levels below what might result in such an economic environment. With respect to the regulatory ratios, these losses are partially offset by a modest deleveraging of assets and a change in asset mix to lower loan levels and higher securities levels; both of which reduce risk-weighted assets. Notwithstanding the impacts of the Severely Adverse Scenario itself, the transition to the Basel III capital framework in the first quarter of 2015 also has an impact on the regulatory capital levels over the projection horizon. The combination of these factors accounts for the vast majority of the projected change in the regulatory capital ratios. FNB's disclosures of projected results, risks, and assumptions are hypothetical and made pursuant to the requirements of the Federal Reserve's DFAST guidelines and related instructions. These projections are based on stress test rules and assumptions that do not necessarily reflect FNB's future expectations or actions.